FUNDING ELEMENTARY AND SECONDARY EDUCATION IN 1992/93 AND BEYOND

A BRIEF OVERVIEW OF A NEW APPROACH

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BACKGROUND

The Education Finance Review was undertaken in response to a number of inadequacies in the current method of providing provincial support to the school divisions.

Extensive consultation with the educational community, principally through the Advisory Committee to the Minister on Education Finance, has been a crucial component of the Education Finance Review.

PRINCIPLES

The new approach was constructed pursuant to five guiding principles:

* Student Equity: all students must have access to a defined essential level of educational service.

* Taxpayer Equity: the school division share of financing an essential level of education should not impose an unduly heavy burden on local taxpayers.

* Accountability: it must be clear as to what educational services and programming the Province is willing to provide funding in support of and in what amounts.

* Clarity: the funding formula must be understandable and explainable.

* Shared Responsibility: the school divisions and the Province share the responsibility for funding and providing a foundation level of education.

THE BASIC APPROACH

The fundamental building block of the funding approach is that the basic and most important teaching unit is the classroom. One of the most important factors related to the classroom in terms of quality of education and cost is the number of students in a class (class size).

In the proposed formula, funding will be determined on the basis of the resources required by a school division to maintain an average class size of 20. In this way, funding is explicitly linked to a specified level of educational service in the regular classroom.

In small schools in rural areas, funding will be calculated on the basis of a smaller class size related to school size.

Additional funding for non-class room activities and services is provided through specific program funding categories.

THE FUNDING COMPONENTS

There are three basic components to the proposed formula: base, categorical, and supplementary.

The guaranteed funding of the previous formula has been eliminated.

Base funding is provided in support of those services required in the schooling of most if not all students. These services include regular instructional services, classroom supplies, school and division administration, Operations and Maintenance, Level I Special Needs, Counselling, Library Services, and Professional Development. Base funding is made up of two parts.

First, funding provided in support of regular instruction, classroom supplies, and school and division administration is determined as follows. The Province identifies an instructional unit by dividing enrolment by 20 and multiplying the result by the divisional average teacher salary to which are added expenditures for school supplies, school administration, and division administration. The resulting expenditure level is referred to as recognized expenditures. The Province and the school divisions jointly fund recognized expenditures. Expenditures in excess of recognized expenditures incurred by divisions are funded solely by the school divisions.

The portion of recognized expenditures to be borne by each school division is calculated by applying a uniform mill rate to the assessment of each school division. The uniform mill rate is the mill rate applied to each division that would in total generate the difference between recognized expenditures and available provincial funding. The amount generated by the uniform mill rate in each school division is its share of recognized expenditures. The remainder is the share of recognized expenditures to be funded by the Province.

The second part includes support for Operations and Maintenance, Level I Special Needs, Counselling, Library Services, and Professional Development. Funding for these areas is direct and calculated on a per unit basis.

Categorical funding addresses individual student needs and unique divisional social and economic circumstances. Categorical funding areas may also reflect government priorities.

Categorical funding will include:

* Level II & III, Special Needs
* Vocational Education
* Transportation
* Curricular Materials
* English as a Second Language
* Heritage Language
* Bilingualism

* Language Development for Natives
* Declining Enrolment
* Remoteness Allowance
* Small Schools
* At Risk Students

Supplementary funding is provided to those divisions that have unavoidable high costs and/or low assessment per pupil resulting in a high level of local property taxation. Divisions with a Special Levy mill rate greater than a predetermined threshold mill rate, after taking into account all base and categorical funding and other revenue, will be eligible for supplementary funding.

Supplementary funding will be calculated on a percentage of the difference between expenditures and funding in the areas of Special Needs, Transportation, Vocational Education, and Operations and Maintenance.